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Zenergy Power PLC  
05 September 2012

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**Zenergy Power Plc  
("Zenergy", "the Company" or "the Group")**

**Proposed Acquisition of Synety Limited  
Proposed Adoption of New Articles of Association  
Proposed 1 for 20 Share Consolidation  
Proposed waiver of the obligations under Rule 9 of the City Code  
Proposed name change to Synety Group plc  
Admission of the Enlarged Issued Share Capital to trading on AIM  
and Notice of General Meeting**

Zenergy Power plc (AIM: ZEN.L) announces the conditional acquisition of Synety Limited ("Synety"), a cloud-based software and communications business.

**Summary**

- Conditional acquisition of the entire issued share capital of Synety for:
  - Initial consideration of £75,000 cash and the issue of 1,477,106 New Ordinary Shares;
  - By reference to the Closing Price as at 4 September 2012, the initial consideration is valued at approximately £1.07 million; and
  - Deferred Consideration of up to 740,861 New Ordinary Shares, depending upon Synety reaching certain sales targets.
- Synety is a software and communications business that has developed and operates a cloud-based communications service called CloudCall®
  - CloudCall is specifically designed to integrate with CRM platforms or other suitable software partners;
  - CloudCall gives organisations the ability to make, receive and record telephone calls from existing software such as email clients, web browsers, smartphones and CRM/ERP platforms;
  - Synety's strategy will be to focus on integrating and partnering with suitable software companies to sell CloudCall to their respective customer bases.
- The directors believe that Synety's technology has first-mover advantage in the telephone segment of the CRM market
- Mark Seeman and Graham Ward, both directors and shareholders of Synety, to join the board as Chief Executive Office and Non Executive Director respectively following Admission
- The Acquisition constitutes a "reverse takeover" and requires Shareholder approval. Shareholder approval is also required to approve the waiver that has been granted by the Takeover Panel to the owners of Synety of the obligation that they would otherwise have to make a takeover offer for the Company under Rule 9 of the Takeover Code.

- Proposed 1 for 20 Share Consolidation and proposed name change to Synety Group plc upon Admission
- General Meeting, to be held on 25 September, convened for the purpose of considering the Resolutions necessary to implement the Proposals. It is intended that the Company will provide a demonstration of the Synety technology at the meeting.

**Simon Cleaver, Executive Chairman of Zenergy**, commented:

"As reported to Shareholders previously, we have been examining potential new investment opportunities which would take the Company in a fundamentally different and profitable direction. We are delighted today to be able to announce the proposed acquisition of a leading edge technology company which operates in a software segment with proven growth characteristics. The vast majority of CRM providers have inbuilt functionality to send, receive and record e-mail activity, but only a very limited number have similar functionality when it comes to telephone communication, which is where we see the potential in Synety."

An admission document ("the Admission Document") setting out details of the Proposals and giving notice of a General Meeting on 25 September 2012 to approve the Proposals is expected to be sent to Shareholders today and will be available on the Company's website [www.zenergypower.co.uk](http://www.zenergypower.co.uk).

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The following is extracted from the Admission Document which is expected to be sent to shareholders today. Words and expressions defined in the Admission Document shall, unless the context provides otherwise, have the same meanings in this announcement.

**1. INTRODUCTION**

The Company announces that it has conditionally agreed to purchase the entire issued share capital of Synety Limited, details of which are set out below. The initial consideration for the Acquisition is £75,000 cash, payable at Completion, and the issue, credited as fully paid, of 1,477,106 Initial Consideration Shares. By reference to the Closing Price as at 4 September 2012, being the last practicable date prior to publication of this document, the initial consideration is valued at approximately £1.07 million. In addition, deferred consideration of up to 740,861 New Ordinary Shares, may become payable depending upon Synety reaching certain sales targets.

Synety is a cloud based software and communications business that has developed and operates a cloud based unified communications and recording service called CloudCall which is designed to be integrated with CRM platforms and other relevant software to allow end users to originate, log, record and replay calls directly from within the CRM software without the need to replace any onsite phone system. Further details regarding Synety and the products and services that it offers are set out in paragraphs 2 and 5 below.

As previously announced, for the purposes of the AIM Rules for Companies, the Company is currently deemed to be an investment company and its investment policy is to seek a majority stake in a business or opportunity of a size that maintains Shareholders' control over the Company and offers the potential to deliver strong results to Shareholders. The Directors consider that Synety will provide a platform from which to create value for Shareholders.

The Acquisition will result in a fundamental change in the business of the Company and will consequently constitute a reverse takeover for the purposes of the AIM Rules for Companies and accordingly requires Shareholder approval, which is being sought at the General Meeting to be held at the office of Lawrence Graham LLP, 4 More London Riverside, London SE1 2AU at 10.00 a.m. on 25 September 2012.

It is also proposed that the Company effect a Share Consolidation whereby each holding of 20 Existing Ordinary Shares will be consolidated into one New Ordinary Share. It is further proposed that New Articles are adopted to reflect the changes to the capital structure of the business and to also update them to be consistent with the 2006 Act.

Following Admission, the Vendors will hold interests, in aggregate, in 1,477,106 New Ordinary Shares together with the right, under the terms of the Acquisition Agreement, to be issued, in aggregate, up to a further 740,861 New Ordinary Shares in satisfaction of the Deferred Consideration. In the event that the maximum amount of Deferred Consideration Shares are issued, this could result in the Vendors (together being all the members of the Vendor Concert Party) holding, in aggregate, in excess of 30 per cent. of the then enlarged issued share capital. Under Rule 9 of the City Code this would normally incur an obligation to make a general offer to Shareholders to acquire all the issued ordinary share capital of the Company. However, the Takeover Panel has agreed to waive this obligation subject to Shareholder consent. Accordingly, Shareholder approval is also required pursuant to Rule 9 of the City Code to approve the waiver.

The nature of the Company's business will be transformed by the Acquisition and, in order to reflect its new activities, it is proposed to change the Company's name to Synety Group plc.

The Acquisition is conditional upon, *inter alia*, the passing of the Acquisition Resolution and the Whitewash Resolution and Admission. It is expected that Admission will become effective and dealings in the Enlarged Issued Share Capital will commence on AIM on 26 September 2012.

The Admission Document contains detailed information about Synety and the Proposals and explains why the Board considers that the Proposals are in the best interests of the Company and recommends that Shareholders vote in favour of the Resolutions.

## **2. BACKGROUND TO ACQUISITION AND SYNETY EXECUTIVE SUMMARY**

The global CRM market, already worth over £20 billion, is predicted to grow to £26 billion by 2015.

In addition to the better known, larger CRM providers (such as Salesforce.com, Microsoft Dynamics CRM and NetSuite) there are many hundreds of smaller and medium sized CRM providers and tens of thousands of CRM partners, installers and integrators, many of which are industry specific, addressing the needs of niche market segments such as, *inter alia*, recruitment companies, financial advisors, car dealerships and doctors' surgeries.

The New Board has spent time researching these CRM providers and has concluded that whilst the majority of these CRM providers have inbuilt functionality to send, receive and record e-mail activity, only a very limited number have similar functionality when it comes to telephone communication.

Synety is a software and communications business that has developed and operates a cloud based unified communications service called CloudCall which is specifically designed to integrate with CRM platforms or other suitable software partners.

Once integrated with CloudCall, the CRM software becomes a complete phone system, allowing end users to simply click on a customer record to make outbound calls ("Click2Dial"). These calls are

automatically recorded and logged within the host CRM platform with the call recording being playable from within that customer's record. Further, any call received or made that passes through Synety's platform (including mobile calls) will be recorded and logged directly in the customer's record in the same fashion. Unlike many other hosted or virtual PBX solutions, which, in the Proposed Directors' experience are VoIP only solutions, Synety's CloudCall is not a 'VoIP only' solution as it works with existing phone systems, including VoIP, analogue, ISDN and/or mobile. By acting as an 'overlay' to existing infrastructure, it can be implemented without incurring capital expenditure.

Synety's strategy, following Admission, will be to focus on integrating and partnering with suitable software partners and work with them to sell CloudCall to their respective customer bases. Such software partners will include, CRM providers, ERP software providers, helpdesk and ticketing system providers and more general communication and contact software, such as Outlook and G-mail. The New Board believes that these software partners will wish to integrate because CloudCall will enhance the functionality they are able to offer to their customer base. In addition, they will be incentivised by a commission payable as a percentage of Synety's monthly software charges and a further percentage of the call made by end users.

Since Synety's sales launch earlier this year, Synety has been approached by a number of CRM providers enquiring about integration. One such enquiry came from Bullhorn which is a global leader in recruitment CRM software. Synety has integrated its services into Bullhorn, and will be launching the service to Bullhorn's customers in September 2012. Synety has also integrated with Lunar CRM, a smaller company providing Cloud CRM software for independent financial advisors. The New Board expects to make further announcements on CRM partners in the near future.

### **3. BACKGROUND INFORMATION ON ZENERGY**

On 16 July 2012, Shareholders approved the sale of certain of the assets of Zenergy Power Inc (a subsidiary of Zenergy) together with the entire share capital of Zenergy Power Pty Ltd to Applied Superconductor Limited for an aggregate consideration of \$400,001 plus a potential future income stream in the form of royalties from any sale of mFCLs during the next six years (the "ASL Transaction"). In addition, the Company was released from any future obligations in respect of product warranty costs.

Following the ASL Transaction, the Company's only significant assets are its cash balances and its continuing interest in its wholly owned subsidiary Zenergy Power Inc, which the New Board is considering winding up. Accordingly, for the purposes of the AIM Rules for Companies, the Company is deemed to be an investing company (as defined by the AIM Rules for Companies). The Company's stated investment policy is to seek a majority stake in a business or opportunity of a size that offers the best prospects of returns to Shareholders. The Directors believe that Synety fits this criteria.

#### **3.1 *Reasons for Acquisition***

The Board consider the Synety opportunity to be in the best interests of the Company and Shareholders for a number of reasons;

- Synety is an early stage software company. Whilst there are often greater risks attached to companies at this stage of their development, there are also often higher potential upsides.
- Typically, Cloud based software licence and telecoms income streams offer relatively stable and long term recurring revenues, however, customer acquisition costs normally tend to be high. The Board believes that Synety's strategy of focusing much of its sales efforts into integration with software partners should provide potential scale and reduce these acquisition costs. The Board also believes that over time these commercial relationships with software partners should have value to any potential purchaser of the Enlarged Group.
- Bullhorn's integration of Synety's platform and desire to sell the platform to their customer base was a significant factor in the Board's decision. The Board

believes that this demonstrates that there is an appetite by sizeable CRM players for Synety's services - Bullhorn's relatively large customer base in the US should allow Synety an opportunity to expand into the US in the near future.

- Simon Cleaver is familiar with Synety's technology and market, having previously worked with the current Synety management team and successfully run public and private companies in this sector.

#### 4. STRATEGY OF THE NEW BOARD

The immediate and full focus of the New Board will be seeking to ensure that the Acquisition reaches its full potential through organic growth via the following methods:

- focus sales efforts in the UK on integrating with UK based CRM and other suitable partners. Synety will assist these partners in marketing CloudCall to both their existing and potential customers;
- launch Synety's service in the US as soon as is possible and sell to US based CRM companies. Whilst recent research predicts that North America will have the lowest growth for CRM application services, it has the highest market penetration and highest SaaS adoption rates. North America has 60 per cent. of the total CRM application service market and incremental growth of more than \$1 billion annually. The New Board therefore believes it is the largest and most attractive CRM services marketplace;
- continue to expand the Synety services, adding new features such as mobile applications and conference calling and predictive dialling from within CRM platforms; and
- research further territories in which to launch Synety's service.

The Company will seek further acquisitions of complementary [businesses](#) at the appropriate time. It is intended that Simon Cleaver, in his capacity as Executive Chairman, will be heavily involved in driving the Enlarged Group's growth plans.

#### 5. BACKGROUND ON SYNETY

##### *Summary financials*

The following information relating to Synety has been extracted from the Accountants' Report set out in Part IV of the Admission Document.

	Year to 30 September 2009 £	Year to 30 September 2010 £	10 months to 31 July 2011 £	8 months to 31 March 2012 £
Revenue	-	-	-	11,016
Gross profit	-	-	-	4,456
Loss before tax	(1,154)	(1,290)	(37,067)	(122,313)
Net Assets	(13,850)	(15,140)	(52,207)	190,480

##### *The Business*

Synety develops and provides a suite of communication software and services aimed at helping small, medium and large organisations and their employees become more efficient by making their communications faster and easier without any upheaval to systems and infrastructure. Synety's principal activity is the development and sale of CloudCall, a unified telecommunications system.

CloudCall gives organisations who want to reduce costs while increasing productivity the ability to make, receive and record calls from existing software such as email clients (Outlook, Gmail), web browsers (Internet Explorer, Chrome, Mozilla), smartphones (iPhone,) and CRM/ERP platforms (Bullhorn, Lunar CRM). CloudCall Click does not require a change of phone system but can complement an existing PBX making the service scalable.

Synety's CloudCall Click software allows conversations to be indexed, searchable and accessible by the employee and centrally by an administrator giving new reporting insights into business productivity.

Although Synety was formed on 8 September 2005, Synety only commenced trading in August 2011 and launched CloudCall in January 2012.

### ***The Market Opportunity***

The traditional way to link software and phone systems and software was to link them locally at the customer's premises. As more companies move their software to the Cloud, the Directors and Proposed Directors believe that link between the phone system and software becomes incompatible.

CloudCall was designed specifically to integrate telephony with Cloud software and as the Cloud software market grows, so too does the opportunity to integrate with more software platforms and access new customers.

Whilst the primary focus will be to integrate with CRM companies, the New Board considers that there should also be integration potential with business intelligence and ERP software providers.

### ***Competition***

There are numerous companies offering comparable hosted PBX solutions, but there would appear to be only a limited number of such companies focusing on integrating with relevant software providers.

As it is likely that competition will increase over the long term, Synety's strategy is to focus on integrating with as many of these software companies as possible in the short to medium term in order to gain first mover advantage.

## **6. CURRENT TRADING AND PROSPECTS FOR THE ENLARGED GROUP**

### ***Current Trading***

#### *Zenergy*

Following completion of the ASL Transaction, Zenergy is now an investing company, as defined by the AIM Rules for Companies, and therefore currently incurs only minimal costs. The Company had cleared funds of £3.65 million as at 31 August 2012.

#### *Synety*

Synety's flash management information for the 4 months ended 31 July 2012 show sales of £59,173 and a loss before tax of £151,093.

### ***Prospects for the Enlarged Group***

The New Board believes that the Enlarged Group has considerable growth opportunities in its market both organically and via further acquisitions and views the future with confidence.

## **7. DIRECTORS, PROPOSED DIRECTORS AND SENIOR MANAGEMENT**

Details of the Directors and the Proposed Directors are set out below. The New Board will comprise the following directors:

***Simon William Cleaver, Executive Chairman, aged 51***

Simon has significant experience as a director and has built, developed and sold a number of companies in both the private and the public arenas. He has specialist knowledge of acquiring and turning around companies or assets, often under distressed circumstances. Businesses that he has built and sold include Servelogic plc, Legend Communications plc, Response Direct Publishing Ltd and Dalehart Ltd. Prior to this, Simon worked in the City for Bailey Shatkin, in the field of derivatives. He was educated in the UK and studied chemistry.

***Mark Jonathan Kineret Seemann - Proposed Chief Executive, (co-founder and current shareholder of Synety) aged 41***

Mark has 14 years' experience as an executive implementing disruptive technologies within the Internet and telecoms sectors. He has been responsible for building internet and telecoms companies during this time and has been instrumental in driving turnarounds and various company acquisitions within this sector. Mark has been directly responsible for various technical innovations including one of the UK's first telecom web control panel and patented VoIP technology now owned by Cable & Wireless.

As shareholder and chief technical officer of Outsourcery Limited, Mark and his team were responsible for the creation and implementation of the company's Cloud based product strategy which was designed to transform the Outsourcery business into the UK's leading Unified Communications provider. As a result of his product strategy, Outsourcery was the winner of the Microsoft Worldwide Hosting Solutions Partner of the Year 2010, specifically for its "World-leading Unified Communications Solutions" product set.

***Alan Graham Ward, Proposed Non-Executive Director (current director and shareholder of Synety), aged 57***

Graham has a background in the telecoms and software industry. He has corporate experience as a finance director of a mobile phone manufacturer, Motorola Europe and has been a managing director of mobile phone service providers, Motorola Telco, Vodafone Corporate and Genesis.

He has many years of experience of working with early stage software companies as a non-executive director, helping develop those companies and raising funds. He has also worked on divestments by listed companies and on the sale of a listed company, Legend Communications plc. He is currently chairman of CMS Supatrak Limited, chairman of Dynmark International Limited and a non-executive director of VQ Communications Ltd.

***David Mark Whelan, Non Executive Director, aged 38***

David Whelan is the chief executive of the Cloverleaf Group, the largest shareholder in Zenergy. The Cloverleaf Group is a privately held alternative investment group focused primarily on venture capital and private equity investments in healthcare, life sciences and breakthrough technologies.

David is a director of the following Cloverleaf Group portfolio companies: AgaMatrix, Inc; Block Shield Corporation Ltd; Identitas, Inc. and was recently appointed Chairman of Medcenter Holdings, Inc. David was also the founding manager of Cloverleaf Group's investment in Zenergy. Prior to joining the Cloverleaf Group, David was vice president of corporate development with the Virgin Group in the US and the UK. David led the development and start-up of the largest ever Virgin Group company, Virgin America, a US based low cost airline. David was previously an investment banker in London and Sydney, with Goldman Sachs & Company and before that Deutsche Bank. Starting his career at PriceWaterhouse in the firm's corporate finance division in Sydney, David qualified as a chartered accountant in Australia. He has a Bachelor of Laws (Honours) and a Bachelor of Commerce from Bond University in Queensland, Australia.

***Dr. Georg Oehm, Non-Executive Director, aged 46***

Georg is one of the founders of Mellinckrodt & Cie, Zug, Switzerland. Prior to this he was Managing Director and Partner in a financial communications boutique in Frankfurt a.m. Main. He was also one of the founders and the first managing director of the German CFD Association e.V.

Before that, Georg had worked for five years at Metallgesellschaft AG in the corporate development and M&A department, and then for a further five years on special restructuring projects. He finished his PhD in the faculty of economics and social sciences at the University of Kiel, after studying Business Economics in Mainz and Kiel. Georg started his professional education with a bank apprenticeship at Dresdner Bank AG in Frankfurt am Main.

## **Senior Management**

### ***Jason Kendall, Proposed Chief Technical Officer (non board member), (co founder and current shareholder of Synty), aged 40***

Jason has over 12 years' commercial experience in building and managing businesses for secure voice and data requirements. Previous appointments include Technical Director of Outsourcery Ltd., Chief Technology Officer of Servelogic plc and Technical Director of Pipemedia Ltd. Jason has various industry specific qualifications not just based around telecommunications which include Microsoft and Institute of Engineering and Technology qualifications. He spent previous years specialising in building secure sites and data centres for different governments and blue chip companies around the world.

## **Employees**

Since 31 March 2012, Synty has continued to grow its business and currently has 18 employees, the majority of whom are based in its Leicester office.

## **8. PRINCIPAL TERMS AND CONDITIONS OF THE ACQUISITION**

On 4 September 2012, the Company entered into the Acquisition Agreement with the Vendors pursuant to which the Company has agreed to acquire the entire issued share capital of Synty. The initial consideration is £75,000 cash on Completion and 1,477,106 Initial Consideration Shares. By reference to the Closing Price on 4 September 2012, being the last practicable day before the publication of this document, this values Synty at approximately £1.07 million. In addition, deferred consideration of up to 740,861 New Ordinary Shares may be payable. The payment of any Deferred Consideration will be dependent upon Synty reaching certain sales targets by 26 September 2015.

Completion of the Acquisition Agreement is conditional, amongst other things, upon:

- Shareholder approval of the Acquisition Resolution and the Whitewash Resolution; and
- Admission.

## **9. MANAGEMENT INCENTIVE ARRANGEMENTS**

The New Board believe that the success of the Company will depend to a high degree on the management team being appropriately motivated and rewarded. The Company has therefore established the Management Incentive Plan, a new incentive arrangement which will reward the participants if Shareholder value is created, thereby aligning the interests of the Directors directly with those of the Shareholders.

Under the terms of the Management Incentive Plan, conditional on Admission, the Directors have subscribed for Synty Growth Shares. The Synty Growth Shares are not transferable. Subject to Synty reaching certain sales targets, being the sale of Active Seats, by 26 September 2015, the Synty Growth Shares can at that time be exchanged for up to a maximum of 633,214 New Ordinary Shares. The Management Incentive Plan also provides that the Synty Growth Shares can be exchanged for New Ordinary Shares earlier than 26 September 2015, in certain circumstances, including a takeover of the Enlarged Group. Resolution 1 will, *inter alia*, grant the Board the authority to allot such New Ordinary Shares.



The Company also currently has in place the 2011 Share Option Plan, under which the Directors currently have, in aggregate, options over 1,600,000 Existing Ordinary Shares (80,000 New Ordinary Shares, post the Share Consolidation). Options over 953,320 Existing Ordinary Shares (47,666 New Ordinary Shares, post the Share Consolidation) have also been granted to existing employees of the Group. Options over a further 27,937 New Ordinary Shares will also be granted, following Admission, to certain employees (but not the Vendors) of Synety.

## **10. SHARE CONSOLIDATION AND NEW ARTICLES**

As part of the Proposals, the Company is seeking Shareholder consent to approve the Share Consolidation, whereby the Existing Ordinary Shares are consolidated into ordinary shares of twenty pence each in the capital of the Company on the basis of one New Ordinary Share for every twenty Existing Ordinary Shares held.

The purpose of the Share Consolidation is to reduce the total number of shares in issue following completion of the Proposals. The Directors believe that this may reduce the volatility in the price of the Company's shares, lead to more meaningful earnings per share figures, may avoid large dealing spreads in the shares and may ensure that the price of the shares is more appropriate for a company of Zenergy's size.

It is proposed that the Share Consolidation will consist of the following steps:

- (i) every twenty Existing Ordinary Shares in issue will be consolidated into one New Ordinary Share; and
- (ii) fractional entitlements arising out of the consolidation under sub-paragraph (i) above by reason of there being either less than twenty Existing Ordinary Shares or a number not divisible by twenty shall be rounded down to the nearest whole number. All such fractional entitlements shall be aggregated into New Ordinary Shares and the whole number of New Ordinary Shares so arising shall be sold in the market and the net proceeds of sale held for the benefit of the Company.

The 2006 Act and the Existing Articles require that Shareholder consent is sought for the Share Consolidation and approval will be sought at the General Meeting which has been convened for 25 September 2012 at 10.00 a.m. at the offices of Lawrence Graham LLP, 4 More London Riverside, London SE1 2AU. It is anticipated that New Ordinary Share certificates will be issued and dispatched by 3 October 2012 and that CREST holders will have their CREST accounts credited with their new holdings on 26 September 2012. Pending the issue of a new share certificate, existing share certificates will remain valid until the record date.

The record date in respect of the Share Consolidation is 6.00 p.m. on 25 September 2012, being the date of the General Meeting.

The New Ordinary Shares will carry the rights and be subject to the restrictions set out in the New Articles.

To reflect the change in capital structure following completion of the Share Consolidation, the Company proposes to adopt the New Articles which will reflect the Share Consolidation. The New Articles shall also take into account changes in English company law brought about by the introduction of the final provisions of the 2006 Act.

A copy of the Existing Articles can be found on the Company's website [www.zenergypower.com](http://www.zenergypower.com). A description of the material provisions of the New Articles is set out at paragraph 4 of Part VI of the Admission Document. A copy of the New Articles will also be available for inspection on the Company's website, as will a document showing the changes between the Existing Articles and the New Articles.

## **11. THE TAKEOVER CODE**

The Takeover Code governs, *inter alia*, transactions which may result in a change of control of a public company to which the Takeover Code applies. Under Rule 9 of the Takeover Code any person

who acquires, whether by a series of transactions over a period of time or not, an interest (as defined in the Takeover Code) in shares which, taken together with shares in which he is already interested or in which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, that person is normally required to make a general offer to all the remaining shareholders to acquire their shares.

Similarly, Rule 9 of the Takeover Code also provides that when any person, together with persons acting in concert with him, is interested in shares which, in aggregate, carry more than 30 per cent. of the voting rights of such company, but does not hold shares carrying 50 per cent. or more of such voting rights, a general offer will normally be required if any further interest in shares is acquired by any such person. Rule 9 of the Takeover Code further provides, among other things, that where any person who, together with persons acting in concert with him holds over 50 per cent. of the voting rights of a company, then they will not generally be required to make a general offer to the other shareholders to acquire the balance of their shares.

An offer under Rule 9 must be in cash and must be at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the company in question during the 12 months prior to the announcement of the offer.

Persons acting in concert comprise persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate control of that company.

The members of the Vendor Concert Party are deemed to be acting in concert for the purposes of the Takeover Code. The Vendor Concert Party comprises Mark Seemann, Graham Ward and Jason Kendall.

At the date of this document, members of the Vendor Concert Party have no interest in the Existing Ordinary Shares. Following Admission, the Vendor Concert Party will together hold in aggregate 1,477,106 New Ordinary Shares, representing 29.96 per cent. of the Enlarged Issued Share Capital. In addition, under the terms of the Acquisition Agreement, depending on Synety meeting certain sales targets by 26 September 2015, Deferred Consideration may be payable to the Vendor Concert Party by the issue of up to 740,861 New Ordinary Shares. Should the maximum amount of Deferred Consideration Shares be issued and assuming no other New Ordinary Shares are issued, the Vendor Concert Party's maximum holding, in aggregate, would be 2,217,967 New Ordinary Shares, representing 39.11 per cent. of the then enlarged issued share capital, which, without a waiver of the obligations under Rule 9 of the Takeover Code, would oblige the Vendor Concert Party to make a general offer to Shareholders under Rule 9 of the Takeover Code.

<i>Name</i>	<i>Number of New Ordinary Shares upon Admission</i>	<i>Maximum number of Deferred Consideration Shares</i>	<i>% of Enlarged Issued Share Capital at Admission</i>	<i>% of issued share capital on the basis of all the Deferred Consideration Shares being issued</i>
Mark Seemann	846,825	424,736	17.18	22.42
Jason Kendall	423,486	212,405	8.59	11.21
Graham Ward	206,795	103,720	4.19	5.48
Total	1,477,106	740,861	29.96	39.11

## **Waiver**

The Takeover Panel has agreed, however, to waive the obligation to make a general offer that would otherwise be required as a result of the Proposals, subject to the approval (on a poll) of the Independent Shareholders at the General Meeting. Accordingly, the Whitewash Resolution is being proposed at the General Meeting and will be taken on a poll. To be passed, the Whitewash Resolution will require a simple majority of votes entitled to be cast to vote in favour.

**Following Admission, the members of the Vendor Concert Party (for so long as they continue to be treated as acting in concert) will be interested in New Ordinary Shares which carry more than 30 per cent. but not more than 50 per cent. of the Company's voting share capital and in such circumstances may not increase their aggregate interest in Shares without incurring an obligation under Rule 9 to make a general offer.**

## **12. LOCK-INS AND ORDERLY MARKET ARRANGEMENTS**

Each of the Vendors has entered into a lock-in agreement with the Company and finnCap pursuant to which they have agreed, conditional upon Admission, and subject to Rule 7 of the AIM Rules for Companies, not to sell, transfer or dispose of any interest in New Ordinary Shares held by him or any related parties (as defined in the AIM Rules for Companies) for a period of 18 months following Admission save for certain exceptions. In addition, each of the Vendors has agreed that, for a further 18 months, save for certain exceptions, he will not sell, transfer or dispose of any interest in the New Ordinary Shares without the prior written consent of both the Company and finnCap and any such sale or disposal of New Ordinary Shares will generally be effected through finnCap (with a view to ensuring an orderly market in such securities).

In accordance with Rule 7 of the AIM Rules for Companies, each of the Directors has separately entered into a lock-in agreement with the Company and finnCap pursuant to which they have agreed, conditional upon Admission, to not (and will procure that their related parties (as defined in the AIM Rules for Companies shall not) sell, transfer or dispose of any interest in New Ordinary Shares held by him for a period of 12 months following Admission, save for certain exceptions.

## **13. CHANGE OF COMPANY NAME**

To reflect the proposed changes to the Company, its management and its operations as a result of the Acquisition, it is proposed that, conditional on Completion, the Company will change its name to Synety Group plc pursuant to Resolution 6.

## **14. INTENTION TO VOTE**

The Company has received indications from Shareholders representing, in aggregate, approximately 29.5 per cent. of the Existing Issued Share Capital to vote in favour of the Resolutions at the General Meeting.

## **15. DIVIDEND POLICY**

The New Board intends to commence the payment of dividends only when it becomes commercially prudent to do so, having regard to the availability of Zenergy's distributable profits and funds required to finance future growth.

## **16. TAXATION**

The attention of Shareholders is drawn to the further information regarding taxation set out in paragraph 11 of Part VI of the Admission Document. These details are, however, intended only as a general guide to the current tax position under UK taxation law and, if Shareholders are in any doubt as to their tax position, they should seek independent advice.

## **17. CORPORATE GOVERNANCE**

The Directors and the Proposed Directors recognise the importance of sound corporate governance. The Company intends, following Admission, so far as is practicable and appropriate for a public company of its size, to follow the main recommendations on corporate governance for AIM companies as published by the Quoted Companies Alliance. The Company has adopted a code for share dealings by directors and employees which is appropriate for an AIM company and which complies with Rule 21 of the AIM Rules on "Restrictions on deals".

Following Admission, the Company's audit committee ("Audit Committee") will comprise Graham Ward who will act as chairman, Simon Cleaver and Mark Seeman and the Remuneration Committee shall consist of David Whelan, who will act as chairman, Simon Cleaver and Graham Ward. The Audit Committee will review the interim and full year financial statements prior to their publication and receive and review reports from the Enlarged Group's external auditors and will determine the application of the financial reporting and internal control principles. The Remuneration Committee will be responsible for determining the remuneration of the executive directors and establishing the criteria for the grant and exercise of any share options and the vesting of any Synety Growth Shares under the Management Incentive Plan. No executive director will be permitted to participate in a decision concerning his own remuneration. In view of the size of the New Board, the responsibility for proposing and considering candidates for appointment to the New Board will continue to be retained by the New Board.

## **18. GENERAL MEETING**

The General Meeting is to be held at the offices of Lawrence Graham LLP, 4 More London Riverside, London SE1 2AU at 10.00 a.m. on 25 September 2012, for the purpose of considering, and if thought fit, passing the Resolutions. It is intended that the Company will provide a demonstration of the Synety technology at the General Meeting.

**Resolution 1**, the Acquisition Resolution, will be proposed as an ordinary resolution and seeks to:

- (a) approve the Acquisition;
- (b) approve the Share Consolidation;
- (c) authorise the Directors to allot the Initial Consideration Shares and the Deferred Consideration Shares; and
- (d) authorise the Directors to allot 633,214 New Ordinary Shares which will be the maximum amount of New Ordinary Shares which can be issued to the Directors in exchange for their Synety Growth Shares.

**Resolution 2**, the Whitewash Resolution, will be proposed as an ordinary resolution and seeks to approve the waiver of the obligation contained in Rule 9 of the Takeover Code. Resolution 2 will be conducted by way of a poll and may only be voted on by Independent Shareholders.

The Acquisition Agreement is conditional upon the passing of Resolution 1 and Resolution 2.

**Resolution 3** is conditional upon the passing of Resolutions 1 and 2 and will be proposed as a special resolution to adopt the New Articles.

**Resolution 4** will be proposed as an ordinary resolution and is conditional upon the passing of Resolutions 1 and 2 and seeks to generally authorise the Directors to allot New Ordinary Shares or grant rights to subscribe for or convert any securities into New Ordinary Shares up to a maximum nominal amount of £328,737, such amount representing approximately one-third of the Enlarged Issued Share Capital. The authority shall expire on the conclusion of the next annual general meeting or 30 June 2013 whichever is the earlier.

**Resolution 5** will be proposed as a special resolution and is conditional upon the passing of Resolutions 1, 2 and 4 and seeks to empower the Directors to disapply statutory pre-emption rights generally up to a maximum nominal amount of £98,602, such amount representing approximately 10 per cent. of the Enlarged Issued Share Capital. This authority shall expire on the conclusion of the next annual general meeting or 30 June 2013 whichever is the earlier.

**Resolution 6** will be proposed as a special resolution to change the name of the Company from Zenergy Power plc to Synety Group plc. The resolution is conditional upon the passing of Resolutions 1 and 2.

## **19. ADMISSION AND CREST SETTLEMENT**

As the Acquisition constitutes a reverse takeover under the AIM Rules for Companies, Shareholder consent to the Acquisition is required at the General Meeting. If Resolutions 1 and 2 are duly passed at the General Meeting, the admission of the Company's Existing Ordinary Shares to trading on AIM will be cancelled (immediately prior to Admission) and the Enlarged Issued Share Capital will be admitted to trading on AIM.

Application will be made to the London Stock Exchange for the Enlarged Issued Share Capital to be admitted to trading on AIM. Admission is expected to take place at 8.00 a.m. on 26 September 2012.

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument in accordance with the requirements of CREST. The Existing Articles and New Articles permit the holding and transfer of Ordinary Shares to be evidenced in uncertificated form in accordance with the requirements of CREST. The New Ordinary Shares are eligible for CREST settlement. Application has been made for the issued Ordinary Shares to be eligible for admission to CREST with effect from Admission. Accordingly, following Admission, settlement of transactions in New Ordinary Shares may take place within the CREST system if the relevant Shareholder so wishes.

CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so.

## **EXPECTED TIMETABLE OF PRINCIPAL EVENTS**

Publication date of the Admission Document	5 September 2012
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 21 September 2012
General Meeting	10 a.m. on 25 September 2012
Record date for the Share Consolidation	6.00 p.m. on 25 September 2012
Completion of the Acquisition	26 September 2012
Admission effective and dealings in the Enlarged Issued Share Capital expected to commence on AIM	26 September 2012
CREST accounts expected to be credited with the New Ordinary Shares, including the Consideration Shares	26 September 2012
Definitive share certificates for the New Ordinary Shares, including the Consideration Shares to be despatched by	3 October 2012

## **ADMISSION STATISTICS**

Number of Existing Ordinary Shares in issue prior to Share Consolidation	69,059,368
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Basis of Share Consolidation	1 New Ordinary Shares for every 20 Existing Ordinary Shares
New Ordinary Shares in issue following the Share Consolidation and immediately prior to Admission	3,452,969
Number of Consideration Shares to be issued	1,477,106
Enlarged Issued Share Capital on Admission	4,930,075
Consideration Shares expressed as a percentage of the Enlarged Issued Share Capital	29.96 %
Current ISIN	GB00B19HBR28
ISIN on Admission	GB00B4XS5145

## DEFINITIONS AND GLOSSARY

The following definitions apply throughout this announcement, unless the context otherwise requires:

"Accountants' Report"	the report on the financial information relating to Synety prepared by Baker Tilly Corporate Finance LLP which is set out in Part IV of the Admission Document
"Acquisition"	the Company's proposed acquisition of Synety pursuant to the terms of the Acquisition Agreement
"Acquisition Agreement"	the conditional agreement between the Company and the Vendors relating to the Acquisition, details of which are set out in paragraph 9.1 of Part VI of the Admission Document
"Acquisition Resolution"	Resolution 1 in the Notice
"Active Seats"	an active end user who has purchased and continues to hold a licensed product developed and/or produced by Synety
"Admission"	the admission of the Consideration Shares and the re-admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules
"AIM"	the market of that name operated by the London Stock Exchange
"AIM Rules"	the AIM Rules for Companies and the AIM Rules for Nominated Advisers
"AIM Rules for Companies"	the rules for companies whose securities are admitted to trading on AIM published by the London Stock Exchange

"AIM Rules for Nominated Advisers"	the rules for nominated advisers setting out the eligibility, ongoing obligations and certain disciplinary matters in relation to nominated advisers
"ASL Transaction"	the sale by Zenergy of the assets, stock and work in progress of Zenergy Power Inc (a subsidiary of Zenergy) and the entire issued share capital of Zenergy Power Pty Ltd to Applied Superconductor Limited more particularly described at paragraph 3 of Part I of the Admission Document
"Bullhorn"	Bullhorn Inc.
"City Code" or "Takeover Code"	the City Code on Takeovers and Mergers
"Closing Price"	the closing middle-market quotation of an Existing Ordinary Share as derived from the Daily Official List published by the London Stock Exchange
"Cloud Computing"	the practice of using a network of remote servers hosted on the internet to store, manage and process data, rather than a local server
"Company" or "Zenergy"	Zenergy Power plc
"Completion"	completion of the Acquisition in accordance with the terms of the Acquisition Agreement
"Consideration Shares"	the 1,477,106 New Ordinary Shares to be issued to the Vendors, on Admission, pursuant to the terms of the Acquisition Agreement
"CREST"	the electronic system for the holding and transferring of shares and other securities in paperless form operated by Euroclear UK & Ireland Limited
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001/3755)
"CRM"	customer relationship management
"Deferred Consideration"	the deferred consideration (if any) payable under the terms of the Acquisition Agreement
"Deferred Consideration Shares"	the New Ordinary Shares, up to a maximum of 740,861 New Ordinary Shares, which may be issued to the Vendors in satisfaction of the Deferred Consideration
"Directors" or "Board"	the directors of the Company at the date of this document being Simon Cleaver, Dr. Georg Oehm and David Whelan (each a "Director")
"Enlarged Group"	the Company and its subsidiaries (including Synergy) following the Acquisition

"Enlarged Issued Share Capital"	the issued ordinary share capital of the Company following Completion comprising the New Ordinary Shares arising pursuant to and following the Share Consolidation and the issue of the Consideration Shares
"ERP"	Enterprise resource planning
"EU"	European Union
"Existing Articles"	the articles of association of the Company as at the date of this document
"Existing Issued Share Capital"	the issued ordinary share capital of the Company as at the date of this document
"Existing Ordinary Shares"	the existing 69,059,368 Ordinary Shares which will become 3,452,969 New Ordinary Shares pursuant to the Share Consolidation
"finnCap"	finnCap Limited, nominated adviser and broker to the Company
"Form of Proxy" or "Proxy Form"	the form of proxy accompanying this document for use in connection with the General Meeting
"FSA"	the Financial Services Authority
"FSMA"	the Financial Services and Markets Act 2000, as amended
"General Meeting" or "GM"	the general meeting of the Company to be held at the offices of Lawrence Graham LLP at 10 a.m. on 25 September 2012
"Group"	the Company and its subsidiaries prior to Admission
"Hosted Unified Communications"	the convergence of both real-time and non real-time communication media without the need for on-premise equipment
"ISND"	integrated services network
"Key Management"	Simon Cleaver, Mark Seemann and Jason Kendall
"London Stock Exchange"	London Stock Exchange plc
"Management Incentive Plan"	the management incentive plan adopted by the Company on 31 August 2012 conditional upon Admission
"mFCL"	magnetic fault current limiter
"New Articles"	the new articles of association proposed to be adopted at the General Meeting
"New Board"	the Company's proposed board of directors following Admission, consisting of the Proposed Directors and the Directors
"New Ordinary Shares"	the proposed new ordinary shares of 20 pence each in the capital of the Company



"Notice"	the notice convening the General Meeting which is set out at the back of the Admission Document
"Official List"	the Official List of the UK Listing Authority
"Options"	an option over Ordinary Shares granted by the Company in accordance with the 2011 Share Option Plan
"Ordinary Shares"	ordinary shares in the capital of the Company (being the Existing Ordinary Shares and following the Share Consolidation, the New Ordinary Shares)
"Outlook"	Microsoft® Outlook 2010
"PBX"	private branch exchange
"Proposals"	the Acquisition, the Waiver, Admission, the Share Consolidation, proposed change of name of the Company and adoption of the New Articles
"Proposed Directors"	Mark Seemann and Graham Ward (each a "Proposed Director")
"Remuneration Committee"	the remuneration committee of the Company as constituted from time to time
"Resolutions"	the resolutions to be proposed at the General Meeting (and each a "Resolution")
"RNS"	the London Stock Exchange's regulatory news service
"Rule 9"	Rule 9 of the Takeover Code
"Saas"	Software as a service
"Shareholders"	holders of Existing Ordinary Shares or, following the Share Consolidation, New Ordinary Shares
"Share Consolidation"	the proposed reorganisation of the Company's share capital whereby 20 Existing Ordinary Shares shall be consolidated into one New Ordinary Share
"Synety Growth Shares"	the subordinated ordinary shares of £0.00001 each in the capital of Synety, to be issued, subject to Admission, in connection with the Management Incentive Plan
"Synety"	Synety Limited, a company registered in England and Wales with company number 5557457
"Synety Shares"	the 300 ordinary shares of £1 each in Synety, all of which have been issued and are fully paid
"subsidiaries" or "subsidiary undertaking"	have the meanings respectively ascribed to them by the 2006 Act
"Takeover Panel" or "Panel"	the Panel on Takeovers and Mergers

"UK" or "United Kingdom"	United Kingdom of Great Britain and Northern Ireland
"UK Listing Authority"	the Financial Services Authority acting in its capacity of competent authority for the purposes of Part IV of FSMA
"Unified Communications"	the integration of real-time communications services with non-real-time communications services
"US"	United States of America
"Vendors"	the current shareholders of Synety being Mark Seemann, Jason Kendall and Graham Ward
"Vendor Concert Party"	the Vendors whose details are set out in paragraph 2 of Part V of the Admission Document
"VoIP"	Voice Over Internet Protocol
"Waiver" or "Rule 9 Wavier"	the waiver of the requirements of Rule 9 described in paragraph 11 of Part I of the Admission Document
"Whitewash Resolution"	Resolution 2 in the Notice
"1985 Act"	the Companies Act 1985 as amended
"2006 Act"	the Companies Act 2006 as amended
"2011 Share Option Plan"	the share option scheme adopted by the Company
"£" or "sterling"	UK pounds sterling

All references to times in this announcement are to UK times unless otherwise stated. References to the singular shall include references to the plural, where applicable and vice versa.

This information is provided by RNS  
The company news service from the London Stock Exchange

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